

Testimony of Daniel Fried
Assistant Secretary of State for European Affairs
before the
House International Relations Committee
Subcommittee on Europe and Emerging Threats
March 8, 2006

The U.S.-European Relationship: Opportunities and Challenges

Chairman Gallegly, Congressman Wexler, members of the Committee, thank you for the opportunity to speak to you today about how we are putting our relationship with our European friends and allies to work in addressing our common challenges around the world. The State Department, and particularly the Bureau of European and Eurasian Affairs, is at work constantly with the 43 countries of Europe as well as the multilateral institutions of NATO, the European Union, the Organization for Security and Cooperation in Europe (OSCE), and the Organization for Economic Cooperation and Development (OECD). Our Ambassadors, colleagues in the field, and members of the Bureau of European Affairs work as a team to advance President Bush's and Secretary Rice's vision of the United States working with Europe to promote freedom and prosperity in the world.

Our common effort seeks to extend the freedom and prosperity we enjoy beyond the borders of Europe, not just to provide for our own security but to improve the security and prosperity of the world as a whole, with which our future is linked. Second, we continue to work with our European partners to confront tyranny and resolve conflict in those places where it persists along Europe's frontiers of freedom, such as Belarus, the south Caucasus and the Balkans. To achieve these objectives, we seek to empower and strengthen the capabilities of key multilateral institutions like NATO and the OSCE, and to strengthen the U.S.-EU relationship.

We have differences with some in Europe on certain issues, including, famously, the decision to overthrow Saddam Hussein. But I have seen over the last year a shift in emphasis among Europeans from a focus on past differences to a commitment to work together to take on global challenges. President Bush and Secretary Rice believe in America's alliance with Europe. In his Second Inaugural address, the President said it very clearly: "All the allies of the United States can know we honor your friendship, we rely on your counsel and we depend on your help. The concerted effort of free nations to promote democracy is a prelude to our enemies' defeat." Our European counterparts share that commitment and vision. As Prime Minister Tony Blair noted, "A world that is fractured, divided, and uncertain must be brought together to fight this global terrorism in all its forms, and to recognize that it will not be defeated by military might alone but also by demonstrating the strength of our common values."

European and American views on global challenges and the appropriate strategic approach to them in a post-9/11 world are increasingly in harmony, though we may sometimes differ on tactics. As we work with Europe on our global agenda, it is important to acknowledge and reaffirm the special relationship and partnership we share with the United Kingdom. The UK has been our most reliable partner on the widest range of issues, from Iraq to counter-

terrorism to Afghanistan, the Middle East Peace Process, UN reform and more. The UK's support has been crucial to advancing U.S. interests in our most important foreign policy priorities. In his address to a joint session of Congress, Italian Prime Minister Berlusconi observed, "Europe needs America and America needs Europe." German Chancellor Merkel's statement on common purpose is another affirmation that a strong Europe can act in partnership with the United States.

We no longer hear so many voices calling for a strong Europe as a "counterweight" to U.S. economic, political and military power. Despite the debate in 2003 and 2004 over Iraq, there exists, I contend, a developing transatlantic consensus that recognizes that our shared interests cannot be separated from our shared values, that democratic governance has a greater legitimacy than other forms of government, and that this is true everywhere in the world. This consensus includes, moreover, recognition that the purpose of U.S.-European cooperation is not simply to manage problems, or to serve as a regulator of value-free competition, but to support common action in the pursuit of freedom.

I am aware of the skepticism with which some segments of the European public regard the United States. The media has long given more-than-ample attention to occasional provocative poll results that show divisions or gaps between Americans and Europeans. But most have overlooked other, more hopeful signs. According to a German Marshall Fund poll released last September, an enormous majority of the European public – 74 percent – supports joint European-American action to advance democracy in the world. While the same poll reflected a desire for Europe to take on "superpower status," the Europeans would use such status to work with the United States to promote the number one U.S. foreign policy objective – the advancement of freedom.

Our freedom agenda is urgent. Throughout the world, and particularly in the Middle East, our joint and direct involvement is needed. In each of these areas, the United States is committed to support positive change, and to work with partners from Europe and elsewhere to achieve those objectives. Europeans are reaching the same conclusion that we share common interests. And from common interests we are seeing common action.

Iran

Iran is a major example. Over the past year, and culminating with the overwhelming vote on February 4 by the IAEA Board of Governors to refer Iran to the Security Council, we have worked closely with the EU-3 – France, Germany, Britain – to try to curtail Iran's nuclear weapons program and to find a way forward. We fully backed EU-3 efforts to hold Iran accountable after Iran refused to halt its nuclear program. Our decision to work with the EU-3 and other stakeholders on Iran has led to historic IAEA votes and transatlantic unity in response to the nuclear threat posed by Iran's program. Russia's efforts to pursue a diplomatic solution to this standoff were energetic, but met with frustration because, for Iran, the talks were not about solving this crisis, but about buying time. We have strongly backed Russia's proposal to provide Iran an off-shore enrichment capacity to meet Iran's questionable energy needs while ensuring Tehran does not acquire the fuel cycle.

Iran's pursuit of nuclear weapons is alarming. But the problem is broader. Not only is the regime in Tehran determined to develop nuclear weapons; it also supports terrorism and global instability and continues to oppress its own people – denying their basic liberties and human rights.

The United States is also reaching out to the Iranian people, who are not our adversary, and who deserve freedom as much as any people. Last month Secretary Rice requested from the Congress \$75 million for democracy-building in Iran. With these funds we can increase our support for the people of Iran in their efforts to secure a freer life for themselves. Europe, with its commercial and diplomatic ties to Iran, has an opportunity to support reform in that country. We will continue to work with Europe to ensure the international community speaks with one voice on Iran, particularly regarding the need for human rights and democratization there.

Iraq

Across Iran's border to the west, Iraq's Shia, Sunni, Kurd and other communities are seeking to realize their aspirations through democracy. The religious tensions sparked by the bombing of the Askariya shrine on February 22 marked a major challenge for the Iraqi people – and we have seen how government, religious and civil society leaders condemned the bombing and are working together to quell the reaction. American and European leaders unequivocally condemned this heinous act as well. We appreciate High Commissioner Solana's statement, as well as from a number of EU members, condemning the violence in Samarra and urging all sides to resume the process of forming the government of national unity. His positive words of dialogue have been very helpful.

Europe's focus on Iraq is moving away from differences of the past to a common commitment to a better future for that country. We hear more voices like that of German Chancellor Merkel, who reminded Americans and Europeans alike that a democratic Iraq is in everyone's interest, or French Prime Minister de Villepin, who now says the international community must "go forward all together" to achieve success.

Whatever our disagreements with some Europeans about the decision to remove Saddam Hussein from power, Europeans now realize that democracy's failure in Iraq would be a grave blow to our common security, and to prospects for reform and stability throughout the Middle East. Last June in Brussels, the United States and the EU co-hosted a conference on Iraq which was attended by over 80 countries at the Ministerial level and which reaffirmed the international community's support for Iraq's democratic future. Success in Iraq would set the stage for the further advancement of freedom throughout that region.

Europeans are not just helping us change the tone of the discourse, but are taking action. Nineteen European partners operate under Operation Iraqi Freedom and all of our Allies contribute to the NATO Training Mission in Iraq, which is helping to stand up a competent, self-sustained, non-sectarian Iraqi Security Force (ISF). Our strong allies, Italy and the United Kingdom, lead the Training Mission, which is helping to establish ISF command, doctrine and training structures and training commissioned Iraqi officers at all levels. In December, Allies agreed to extend training to senior non-commissioned officers. In recent weeks, several Allies,

including Germany, Norway and the United Kingdom, have pledged additional funds to support this mission. European allies have also donated over 120 million dollars worth of military equipment to Iraq. For the past few years, the EU has provided over 200 million dollars in development assistance to Iraq and plans to do so again in 2006.

When the new permanent and democratically-elected Iraqi government takes office, we hope and expect that Europe will embrace it, because the way to peace in Iraq is through a capable government with legitimacy at home and support abroad.

Israel-Palestinian Issues

Transatlantic cooperation includes efforts to bring peace between Israel and the Palestinians. The United States and the EU share deep concerns about Hamas, and insist that the new Palestinian government recognize Israel, renounce violence, and accept the existing agreements and obligations between the parties. Like us, the EU is also reviewing its assistance programs to the Palestinians to ensure that while assistance does not benefit Hamas, humanitarian assistance to the Palestinian people continues.

Lebanon

For over a year, the United States and France have led the international community's sustained efforts to promote Lebanese sovereignty and independence. The international community has spoken with one voice on the need to end Syrian interference in Lebanon, particularly when the UN Security Council unanimously adopted resolutions 1636 and 1644 compelling Syrian cooperation with the UN inquiry into the assassination of former Lebanese PM Hariri.

Afghanistan

Together, we and our Allies in Europe have made major advances in Afghanistan, where the NATO-led International Security Assistance Force (ISAF) will expand its presence this year to southern Afghanistan. I traveled to Afghanistan with Supreme Allied Commander General Jones last week, and saw first-hand how ISAF is preparing to take on this additional responsibility, which advances our shared interest in a secure, democratic, stable Afghanistan that never again becomes a haven for terrorism.

BMENA/Forum for the Future

The US-European agenda now includes efforts to advance reform and democracy throughout government and civil society in the broader Middle East. We began with the Broader Middle East and North Africa (BMENA) initiative under America's G8 presidency at Sea Island in 2004. Since then, the BMENA initiative has grown beyond the G8 and now includes several other European nations among its staunchest supporters. One of the exciting outcomes of the BMENA initiative is the Forum for the Future, a ministerial-level body that, since its launch in Rabat, has become the principal venue for developing common views on reform, democracy, and

development, and bringing civil society groups into the meeting as participants, speaking directly to governments.

I traveled last November with Secretary Rice to the second Forum, in Bahrain, where the agenda focused on “civil society and democracy” and “knowledge and education.” A highlight was the launching of the BMENA Foundation for the Future, to support grass-roots civil society organizations working toward democracy and freedom, and the Fund for the Future, to provide much-needed capital to small and medium-sized businesses. Europe has an important role to play, as its historic, political and economic ties to the region give it a voice that will be heard, and I am pleased that eight European governments and the European Commission have pledged contributions to the Foundation and Fund for the Future. The governments of the region do not yet universally embrace these democratic dreams with the same enthusiasm. But reformers are there, within and outside government. And the United States and Europe, the two great centers of democratic legitimacy in the world, are standing with them.

Global Issues

In addition to addressing concerns in the Middle East and Afghanistan, our cooperation with Europe also extends to transnational issues. We work together every day to prevent the proliferation of nuclear weapons, to combat disease, to fight corruption, and to stop the narcotics trade. For instance, for years the United States has helped support the South East European Cooperative Initiative, which serves as the mechanism for many European countries to share information and mount anti-crime operations. We are also working closely with Austria during its EU Presidency this year to build on its desire to make more progress in the fight against organized crime and corruption, especially in the Balkans.

On counter-terrorism, European countries are providing vital contributions in areas ranging from information and intelligence-sharing, dismantling terrorist cells, interdicting terrorist logistics and financing, and participating in the rebuilding of Afghanistan. We work every day with European partners to strengthen the effectiveness of their anti-terrorist efforts and to help less capable states around the world improve their abilities to combat terrorism. In cooperation with those partners, we have made great progress in building an international consensus to fight terror through UN conventions, restricting terrorists’ freedom of action and blocking terrorists’ assets. Joint U.S.-European intelligence-sharing and law enforcement efforts have led to successes in arresting terrorists and in interdicting terrorist financing and logistics. To highlight a few areas, I would note the progress made during the past year on Passenger Name Recognition, the Container Security Initiative, incorporation of biometrics for documentation, and cooperation on telecommunications data retention.

European cooperation remains critical to our efforts under the G8 Global Partnership Against the Spread of WMD. Within the framework of our own contributions to the fight against the spread of WMD, the U.S. commitment to the Cooperative Threat Reduction (CTR) program continues, and we are working on programs with Russia, Ukraine, Albania, Azerbaijan, Moldova, Kazakhstan and Uzbekistan to eliminate WMD threats.

Our partnership to address the threat of Avian Influenza has made crucial strides in understanding the nature of its movement westward from Asia and in building key infrastructure and capacity to confront a pandemic. Late last month, U.S. policy-level officials and European Commission counterparts held the first of what will likely be many Digital Video Conferences to strengthen planning and coordination of our respective international activities. The United States and EU will co-host the next meeting of the President's International Partnership on Avian and Pandemic Influenza, to take place in Vienna in June.

The transatlantic community has a stake in the complex process of integration of Europe's Muslim communities into their respective countries, the challenge of which was illustrated in the Danish cartoon controversy. Thankfully, in Europe the demonstrations against the cartoons have been peaceful, although some of the rhetoric has been unnecessarily inflammatory. We believe that the cartoons are indeed offensive; that the freedom of the press is an inalienable right essential for all free societies; that the issue of the cartoons has been abused by cynical and hypocritical governments, such as the regimes in Syria and Iran; and that democracy is a system best able to reconcile the different, but ultimately compatible, values of freedom, tolerance and respect. The United States will continue to encourage dialogue in connection with the cartoons based on these principles.

The United States may have a contribution to make in support of the integration of Europe's growing Muslim populations. One of our goals is to improve European Muslims' understanding of the United States. Our main tools for this are our public diplomacy programs, including exchanges, sending American experts on speaking tours, and engaging with the media. Our Ambassador in Brussels organized an innovative program bringing together American and Belgian Muslims, which seemed to generate enthusiasm among the participants. A second goal is to find ways to facilitate improved relations between minority and majority populations. Our embassy in The Netherlands is partnering with the American Chamber of Commerce to launch an internship program for minority youth. Another key goal is to encourage the leaders and grassroots of Muslim communities to push for peaceful approaches and to speak out against advocates of violence.

Working with Europe along Europe's Frontiers of Freedom

We remain acutely aware of the need to advance or consolidate democracy *within* Europe where it did not exist even a generation ago. And unfortunately there are places in Europe where freedom has not arrived even yet.

The United States and EU increasingly speak with a single voice in support of the democratic aspirations of the people of Belarus. This was shown recently by our unsuccessful effort to send my EU counterpart and me together to Minsk to deliver a message on the conduct of the March 19 presidential election. When the Belarusian authorities refused our travel at the same time, in an attempt to split us, we remained united. We have agreed to use this election, however flawed it is, to shine a spotlight on Belarus, its people, and its government's dismal record. One recent and significant example of cooperation in assistance is our joint efforts to support independent media, and especially external broadcasting, to break Lukashenko's information stranglehold.

We share with our European friends and allies a strong commitment to Ukraine's sovereignty, continued democratic and economic development, and Euro-Atlantic integration. We are consulting closely with our European partners on the crucial issue of energy security of Ukraine and the region. We appreciate the principled position of a number of European states that energy markets should not be manipulated for political gain. We are also working with the Europeans to support free elections and civil society in Ukraine. Ukraine's politics are difficult, as politics in the early phases of post-communist political evolution tend to be, but we will work with Ukraine's next government after its elections later this month, seeking to support Ukraine's reforms and its European and transatlantic aspirations.

Georgia has been called a success for our freedom agenda, though its work has just begun. Since the Rose Revolution, President Saakashvili's government has taken Georgia from a failing state to a democratizing democratic nation with a growing market-economy. During President Bush's May 2005 visit to Georgia, he promised the United States would do its utmost to help the people of Georgia consolidate these changes. Georgia's future lies in the Euro-Atlantic community. The hard work of reform is Georgia's, but the U.S. Government will do what we can to help Georgia help itself, working with our European allies, in NATO and the EU.

The United States is also working hard to promote a peaceful resolution to the separatist conflicts in Georgia. The Georgian Government has developed a peace plan for South Ossetia, supported by the international community, and is beginning to implement unilateral steps to demilitarize the region. We support this effort with our friends in the OSCE and will continue to encourage progress in negotiations. As a member of the Friends of the Secretary General of the United Nations for Georgia, the United States participates in negotiations on a peaceful settlement in Abkhazia. We have seen a lack of progress in recent months and are urging Georgia and Abkhazia to take concrete steps to move the process forward. In both South Ossetia and Abkhazia, the Russian Federation could do more to help to resolve the conflicts.

There is perhaps no better illustration of the value of transatlantic cooperation than our efforts to bring peace to the Balkans. We have just passed the ten-year anniversary of the Dayton Accords, which ended the war in Bosnia. Six years after NATO intervened to stop a humanitarian disaster in Kosovo, we are working with our European friends on a final status settlement that will bring lasting peace to all Kosovo's people. While there are still difficult issues to address, we expect this to be a year of decision that will mark the path toward Kosovo's future – a future that will cement stability in Southeast Europe, promote the development of democracy and put the region firmly on the path of integration with Euro-Atlantic institutions. The United States will promote these goals, through our continued presence in NATO's KFOR and through support to UN Special Envoy Martti Ahtisaari as he seeks a just settlement of Kosovo's future.

With Turkey, a long-time NATO ally and EU candidate state, we are working to strengthen and modernize our partnership. The United States and Turkey share a forward-leaning global agenda that includes active engagement and cooperation in NATO and Turkey's co-sponsorship of the BMENA Democracy Assistance Dialogue. Turkey is working to bring political and economic stability and prosperity to Iraq, and has played a major role in bringing

peace and development to Afghanistan. We believe that a Turkey, making economic progress, deepening its democracy, and firmly anchored in Europe, will be a major and better partner to the United States and Europe. Turkey's 150 years of modernizing reforms can inspire those in the broader Middle East and beyond who seek democratic freedoms for their predominately Muslim populations.

U.S.-Russian relations include elements of cooperation as well as areas of disagreement. We remain actively and constructively engaged bilaterally, regionally and multilaterally on key issues from counterterrorism to stopping trafficking in persons. We work together daily to cut off terrorist financing, share law enforcement information, improve transportation security, and prevent proliferation of weapons of mass destruction.

Our cooperation with Russia is broad. I have already mentioned Iran. The United States and Russia seek to advance Middle East peace through the Quartet. While we will not meet with Hamas, a designated Foreign Terrorist Organization, we appreciate Russian assurances that it used the occasion of its March 3 meeting with Hamas representatives to reinforce Quartet conditions by making clear that a Hamas-led government in the Palestinian Authority must renounce violence, recognize Israel, and abide by pre-existing agreements, including the Middle East Roadmap. We both recognize the challenges of reconstruction in war-torn Afghanistan, with Russia recently forgiving ten billion dollars of Afghani debt it held. Beyond that region, the United States and Russia, as members of the Six-Party Talks, seek to bring stability to the Korean Peninsula by addressing the North Korean nuclear program. We are also working together in the G8 on priorities Russia has identified for its Presidency: infectious diseases, education, and energy security. Economic cooperation continues, especially in the energy sector, and we are making substantial progress towards Russian accession to the World Trade Organization.

We do not shy from the areas of disagreement. U.S. relations with Russia's neighbors and other countries in Eurasia seem to be viewed by some in Russia in zero-sum terms, a model that we have both publicly and privately told the Russians is false. We seek to work with Russia and others to resolve dangerous and debilitating conflicts in places like South Ossetia, Transnistria, Abkhazia, and Nagorno-Karabakh. We hope that Russia will take advantage of Georgia's proposals for a peaceful settlement of the South Ossetia conflict and work toward a solution that respects both Georgia's territorial integrity and the interests of the people of South Ossetia. The United States and EU are both observers in the "5+2 Talks" on Transnistria. We urge the Armenian and Azeri leaderships to seize the moment and help bring the Nagorno-Karabakh conflict to a close. We hope that Russia decides to support reforms in Belarus and Uzbekistan, whose leaders have set these countries on courses of repression. The United States and our NATO Allies continue to urge Russia to fulfill remaining Istanbul commitments relating to withdrawal of its military forces from Georgia and Moldova. We've made clear that fulfillment of the Istanbul commitments is a prerequisite for us to move forward with ratification of the Adapted CFE Treaty.

We are concerned about democratic trends in Russia. Russia's new NGO law, scheduled to go into effect April 10, is a particular object of our attention. The United States worked closely with our European and G-8 allies to communicate our concerns about this legislation

while it was still under Duma consideration. We believe the law will chill and deter independent civil society in Russia. We have pledged, together with our European allies, to observe how that law is implemented.

Continued Cooperation

While we have an increasingly positive, action-oriented record of cooperation with Europe on a range of issues, there remain issues on which we have differing views or competing interests.

Our economic relations are overwhelmingly positive. At the 2005 U.S.-EU Summit in Luxembourg, President Bush and European Commission President Barroso, recognizing the special responsibilities of the world's two largest economic entities, launched an ambitious effort to re-invigorate our bilateral economic relations. Our economies generate over \$2.5 trillion in transatlantic trade and investment each year and account for millions of jobs on either side of the Atlantic. Even with the rise of emerging economies such as China and India, our relationship will be the engine of the global economy for at least the next generation – our positive, cooperative relationship generates global growth and economic reform. And the key to the health of our economic relationship is continued shared, robust growth.

The United States and EU are working to reduce barriers to growth, focusing on unnecessary regulatory barriers and intellectual property violations. Our financial markets dialogue with the EU is bearing fruit, helping to further align our accounting systems, the building blocks of private sector operations. We are exploring new areas of cooperation on innovation with the EU such as e-accessibility and e-health, harnessing the power of our combined intellectual capital. Great strides have been taken in negotiations with the EU on liberalizing air travel between the United States and Europe, sure to be a boon to consumers, business, and to the airline industry.

With all this progress, however, Europe still needs to address its structural barriers to growth. The re-launched Lisbon Agenda is being challenged from within, with initiatives such as the Services Directive running into opposition from some Member States. We need to care about these obstacles to the integration of the single market, because they affect overall European growth, which in turn affects the balance sheets of our companies and affiliates located within the EU. And an economically strong Europe will ensure that Europe can partner effectively with the United States in our common goals on security and development.

As the world's two largest economies, we also have a special responsibility to assert our leadership in the trade area. Advanced developing countries like Brazil and India will only open their markets to industrial goods and services with greater flexibility from the EU on agriculture. Trade Promotion Authority expires in June 2007, driving the urgency for an agreement. We continue to stress these points with the EU.

The relationship is not without challenges, and trade disputes still grab the headlines. European's approval process for agricultural biotechnology, for example, remains a sticking

point. News reports have stated the WTO has preliminarily found the EC has a de facto moratorium on agricultural biotechnology products that is inconsistent with WTO rules. We think it is important that the EC comply with obligations to provide agricultural biotechnology products timely, transparent and scientific review.

As the world's primary sources of development assistance, the United States and the EU have a long tradition of cooperation and coordination on our respective development assistance programs. Most recent figures show that the United States and EU combined contributed a total of \$62.6 billion or 79 percent of all global assistance in 2004.

Closely related to trade issues are matters of climate and energy security. We are working hard to engage the Europeans on climate. We both share the same goal to promote economic growth while reducing negative impacts on the environment. Our effort has been focused on addressing climate by stressing the need for new, "clean" technologies which promote energy efficiency as well as the need to develop alternative sources and supplies of fuel, thus linking climate, energy security and development challenges. In 2006 alone the President proposed over \$5 billion in funding for climate-related activities. Cooperation with the EU in this arena is improving. The EU has joined U.S.-led partnerships in carbon dioxide capture and storage, nuclear power, hydrogen, and Earth Observations. We are creating opportunities for dialogue with EU policy leaders to establish the intellectual link between climate and energy, creating neutral space for future agreement.

Energy security is an increasingly important issue, as we and others reap the benefits of global economic growth, which translates into increasing need for energy resources. We share a common goal of reliable energy resources to support economic growth on the basis of market forces. Europeans are reexamining their state of energy security. Our continuing U.S.-EU dialogue, particularly during the upcoming Finnish Presidency, will cover issues such as: promoting open energy markets with stable, transparent regulatory regimes for foreign and domestic investment; encouraging market actors to help strengthen and secure greater redundancy in global energy transit routes, and promoting integration of European gas pipeline systems to achieve efficient redistribution to affected regions during supply disruptions. We will work together to help Europe secure diversified gas supplies for the next decade by helping companies and countries develop and deliver gas from the Caspian region.

Detainee Issue

As you know, issues surrounding U.S. detention operations continue to generate significant controversy in Europe, both in the press and, increasingly, in the form of calls to investigate allegations of U.S. abuses. This issue was at the center of the Secretary's visit to Europe in early December, and has been on the top of the agenda in a variety of more recent European visits by me and other senior State Department officials. We are trying to promote a better understanding of U.S. perspectives and to correct significant misperceptions. We are deeply concerned by the one-sided treatment and rush to judgment that this issue has received in Europe, especially among governments who know from painful experience that the terrorist threat is real, not imagined, and that governments have a critical responsibility to protect their citizens from terrorist attacks.

We have indicated that U.S. officials are prepared to continue to engage in dialogue with our European partners about these issues, just as we have had discussions and debate at home. These issues are complex and deserve serious consideration. There are no easy answers. But we must ensure that our discussions and the public attention paid to these issues remains healthy and balanced. In raising questions about the treatment of terrorists, we must not forget that our societies remain under serious threat of terrorist attack. In questioning the value of certain intelligence activities, we must not forget the vital contributions that our intelligence and security services, and cooperation among them, make in protecting our citizens. And we must not forget the strong historic ties between the United States and Europe and that our countries are based on the same fundamental values, including the protection of freedom and respect for rule of law.

NATO

NATO, long America's premier alliance, is emerging at the center of our global democratic security community. It is a place where transatlantic power – and I mean power in the broadest sense, including also political, economic and moral power – is translated into action. NATO's mission remains the same – the collective defense of its members – but collective defense in 2006 requires different approaches and tools than it did in 1956 or even 1996.

Conversations about NATO's relevance may always be with us in some form, and that's a good thing, because NATO must continue to demonstrate its usefulness and relevance. But many overlook the fact that NATO has already reinvented itself since the Cold War, and it continues to evolve rapidly. Until 1992, NATO had never conducted a military operation. By 2005, NATO was conducting seven operations on four continents from Afghanistan to Iraq, the Mediterranean, Africa, the Balkans, Pakistan, and briefly, even to Louisiana – in support of transatlantic security. Today, when challenges arise and our leaders need someone to take action, they often look to NATO.

We hope that by NATO's Summit this November in Riga, the Alliance will be on the path to deepening its capabilities for its current and future operations, and enhancing its global reach to meet today's demands.

OSCE

The OSCE is an asset and platform for advancing a wide range of our interests in the Euro-Atlantic region. In the Balkans, Central Asia, and the Caucasus, OSCE's 17 field missions have impressive records as vehicles for "transformational diplomacy." On human rights and support for democracy, the OSCE has a unique mandate and demonstrated record of accomplishment. Its election observation methodology represents the gold standard in the field, and the OSCE's efforts have advanced democracy in Europe and Eurasia. The organization has undertaken groundbreaking work in combating trafficking in persons and intolerance, including anti-Semitism; promoting basic freedoms including religious freedom and freedom of the media; and resolving regional conflicts, particularly the Nagorno-Karabakh conflict between Armenia and Azerbaijan, the South Ossetia conflict in Georgia, and the Transnistria conflict in Moldova.

Promoting these interests through the OSCE allows the United States to share both costs and political responsibility with other states and, at the same time, to coordinate actions to avoid duplication and maximize success.

Conclusion

As Secretary Rice has said, strategy consists of understanding where history is going and giving it a push. To advance our global agenda of democracy, we must engage Europe to go beyond the *status quo*.

The core values of our country and tenets of our society – human rights, democracy, and the rule of law – have long been the basis of our relationship with Europe. While there will always be transatlantic differences, I do not see a transatlantic rift. How we work with Europe is worthy of debate. Whether the debate is on advancing freedom, on issues of global consequence, on confronting those outposts of tyranny or conflict within Europe, or on how we develop our common institutions to maximize their capacity to facilitate rather than impede our goals, Europe and America alike must be mindful that the debate is necessary, and that the stakes are high.

Mr. Chairman, Congressman Wexler, members of the Committee, I am grateful for the opportunity to speak before you today, and I look forward to your questions.